

**MEMORANDUM**

TO: Electric Utility Commission

FROM: Elaina Ball, Deputy General Manager & COO

DATE: May 11, 2017

SUBJECT: EUC Educational Opportunities

This memo is a report on discussions between EUC Commissioner Cary Ferchill, Deputy General Manager Elaina Ball and EUC Liaison Jeff Vice regarding development and continuation of educational opportunities for commissioners as proposed in the March regular EUC meeting.

Goal

The goal of this initiative is to provide EUC commissioners with adequate training, information and experiences to enable you to make effective, informed recommendations to the City Council as to the actions and policies of Austin Energy that require formal City Council approval and general oversight of the utility.

The EUC reviews procurements and policy recommendations pertaining to the financial and operational needs of one of the largest publicly owned utilities in the United States, with the attendant complexities, challenges and needs of any multi-billion dollar company operating in the complex modern energy market. That requires a commitment to acquiring and maintaining an oversight commission of informed individuals. In order to further enhance the dialogue, understanding and relationship between Austin Energy staff and the EUC, we have identified a few educational opportunities below for your consideration.

AE's Strategic Analysis

To support more strategic discussions related to overall goals and performance of the utility, AE recently began and will continue to brief the commission on the six strategic areas of focus for the utility, including programs, performance measures and initiatives. AE staff intends to expand these briefings to include the rationale for these performance factors and a consideration of any additional factors that might be useful in the future. The AE Performance Dashboard, a monthly

report highlighting key metrics of the utility's strategic areas of focus, will continue to be delivered to EUC members and the public.

In addition, AE staff will work with the EUC Chair to develop occasional additional briefings for commissioners that focus on the external influences affecting the utility, such as developing technology, the ERCOT market, consumer/customer trends, the regulatory environment and ecology/climate issues.

Procurement

A significant amount of EUC members' meeting time is taken up with review of procurement matters. To facilitate decisions related to procurements, AE recommends that staff pre-brief upcoming larger procurements the month prior to them being presented to the EUC for final recommendation for council action, so long as there is adequate lead time to do so. It is believed that this will provide an opportunity for staff to respond to commissioner comments and concerns that cannot be fully addressed at the meeting set for final approval.

Commissioner Education

Each EUC commissioner comes to the EUC with his or her own background, experiences and education. Some are industry veterans and some are new to utility issues. To support deepening the functional knowledge of the EUC commissioners, AE also proposes to reinstate introductory one-on-one briefings for new commissioners to describe the major areas and issues of the utility, provide resource materials to assist commissioners with self-study and references for new topics as they surface, and the opportunity to meet with utility executives.

Ideally these briefings will be performed one or two commissioners at a time as new commissioners are appointed, in order to give each member an opportunity for direct dialog and individualized learning calibrated to the needs of each new appointee, although it seems appropriate to assure that each commissioner is at least briefed specifically on the City of Austin Purchasing Department procedures and mechanics.

If any currently-serving commissioner wishes to take advantage of these briefings, this will of course be accommodated.

Finally AE suggests offering periodic tours of utilities' various facilities/operations specifically for EUC members, to assure they are in touch with the physical plant and control operations of the utility.

We look forward to discussing these suggestions at your May meeting.